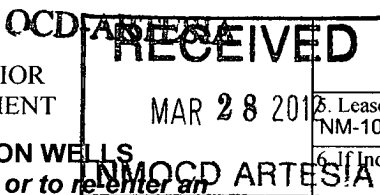


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

<b>SUBMIT IN TRIPLICATE – Other instructions on page 2.</b>		7 If Unit of CA/Agreement, Name and/or No
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. YELLOWSTONE 3 FEDERAL #3
2. Name of Operator THREE RIVERS OPERATING COMPANY, LLC		9. API Well No. 30-015-39823
3a. Address 1122 S. CAPITAL OF TX HWY, #325 AUSTIN, TX 78746	3b. Phone No. (include area code) 512-706-9850	10. Field and Pool or Exploratory Area COTTONWOOD SPRING - BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FWL 3-26S-25E		11. Country or Parish, State EDDY COUNTY, NM

## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>SPUD &amp; REACHED</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>TD</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

2/20/12 Spudded 17 1/2" hole 1700 hrs.  
2/22/12 Reached surface casing point 460'. Ran 13 3/8", 54.5#, J55, STC casing set at 420'.  
Cemented with 500 sxs HalCem-C w/ 2 % CaCl + .124# sx Poly-E-Flake (14.8 ppg, 1.34 f/sx).  
Circulated 104 sxs to surface.  
2/24/12 Drilled 12 1/4" hole.  
2/27/12 Reached intermediate casing point 1615'. Ran 9 5/8", 40#, N80, LTC casing set @1609'.  
Cemented w/ 500 sxs Lead Econocem-HLC w/ 3% salt + .125 #/sx Poly-E-Flake (12.9 ppg, 1.81 f/sx), followed by 300 sxs Tail HalCem-C w/ 1% CaCl (14.8 ppg, 1.34 f/sx).  
Circulated 370 sxs to surface.  
2/29/12 Drilled 8 3/4" hole.  
3/15/12 Reached TD 8326'. Ran 7", 26#, P110, LTC casing set at 8318'. Ran DV tool @ 3040'.  
Cemented 1st stage with 1360 sxs Class H w/ 0.4 % Halad (R)-9 + 3 % WG-17 + 0.1% KCl (14.4 ppg, 1.24 f/sx).  
Opened DV tool. Circulated spacer but no cement to surface. WOC 6 hrs. Cemented 2nd stage w/ 390 sxs Lead Class C (11.9 ppg, 2.2 f/sx) followed by 100 sxs Tail Class C (14.8 ppg, 1.33 f/sx).  
Circulated spacer to surface but no cement. Ran temperature survey.  
TOC @ 430'. Received BLM approval to release rig.

Accepted for record  
NMOCD

CONTINUED ON NEXT PAGE

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) AMY TEMPLE		Title REGULATORY ANALYST
Signature	Date 03/20/2012	<b>ACCEPTED FOR RECORD</b> MAR 25 2012  BUREAU OF LAND MANAGEMENT
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

(Instructions on page 2)

YELLOWSTONE 3 FEDERAL #3

NM-108027

API # 30-015-39823

03/20/2012

Plan forward:

1. Move in completion rig.
2. PU work string. Drill out DV tool. Clean out to PBTD.
3. Run CBL. Evaluate cement bond.
4. Perforate, frac, and test Bone Spring/Avalon intervals.
5. Based on CBL evaluation, Three Rivers will request BLM approval to circulate cement to surface between 7" / 9 5/8" casings by either:
  - a) Perforate 7" and circulate CTS,
  - b) Run 1/2" capillary string in 7" / 9 5/8" annulus and circulate CTS.

AS 3/20/12